1

September 15, 1997

Mr. Steve Hunsberger
AT&T Communications of Illinois, Inc.

As Director - Wholesale Interconnection - Collocation, AT&T's collocation request for a condo mid-span meet arrangement at the Oakbrook Central Office has been forwarded to me.

Your collocation request denotes the intended use of a DACS. This particular equipment is not currently collocated in any of the AT&T collocation arrangements with Ameritech and is considered to have a switching functionality.

Section 12.8.2 of the Interconnection Agreement between our companies in the state of Illinois provides that "When AT&T and Ameritech are located in a "condo" building, AT&T shall be allowed to locate, in AT&T's Wire Center, equipment that normally would have been Collocated in Ameritech's Wire Center to enable AT&T to access Ameritech's unbundled Network Elements."

Section 12.5 of the Interconnection Agreement states the types of equipment AT&T can and cannot Collocate in Ameritech's Wire Center. Specifically, Section 12.5.2 provides that "AT&T shall not be permittted to collocate switching equipment" and that "AT&T may... collocate equipment necessary for Interconnection or access to unbundled Network Elements, including equipment used for signal regeneration functions ('hubbing equipment'), but not switching functions."

It is clear that the terms of Section 12.5 of the Interconnection Agreement prohibit AT&T from collocating in Ameritech's Wire Centers switching equipment or equipment that utilizes switching functions. In addition, the intent and plain meaning of the language in Section 12.8.2 that "AT&T shall be allowed to locate, in AT&T's Wire Center, equipment that normally would have been Collocated in Ameritech's Wire Center" incorporates the limitation on switching equipment and functionality when AT&T chooses to collocate in a condo arrangement.

Ameritech requires AT&T's condo mid-span meet order for Oakbrook to be revised to reflect equipment conforming to the Agreement. Ameritech is also looking for AT&T to provide written assurance to Ameritech that the equipment to be used by AT&T for its Oakbrook condo mid-span meet arrangement with Ameritech will be in adherance with the applicable sections of the Agreement.

Sincerely,

Wayne Astor

Director - Wholesale Interconnection

2

Bruce C. Bennett
Director of
Product Delivery

25th Floor
227 W. Monroe Street
Chicago, IL 60606-5016
312 230-3312
FAX 312 230-8886

VIA FACSIMILE AND U.S. MAIL (312/467-9026)

March 5, 1999

Theodore A. Edwards
Vice President-CLEC Sales
Ameritech Information Industry Services
350 North Orleans, 3d Floor
Chicago, IL 60654

Re: Escalation of Dispute Concerning Placement of Lucent FT-2000 Equipment in Collocation Space in Ameritech Central Offices

Dear Ted:

This letter shall serve as formal notice invoking the "Dispute Escalation and Resolution" procedures of Sec. 28.3 of Ameritech's interconnection agreements with AT&T Communications (Sec. 28.3) and AT&T Local Services (Sec. 29.18), formerly TCG (collectively "AT&T") in the Ameritech states with respect to Ameritech's refusal to allow AT&T to install Lucent FT-2000 multiplexers in AT&T collocations.

In numerous exchanges of correspondence and personal discussions for nearly four months, Ameritech has taken the position that it will not allow FT-2000 multiplexing equipment, AT&T's standard OC48 mux, to be collocated in Ameritech central offices. Ameritech has taken this position in response to a request by AT&T Local Services for 45 additional collocations in Illinois, submitted on November 2, 1998. Ameritech's refusal effectively blocks AT&T's ability to serve additional local customers. As set forth below, Ameritech's position is unsupportable and is patently discriminatory.

The Lucent FT-2000 has been in service since 1991. More than 10,000 of them have been deployed worldwide. They are in service not only in AT&T's network but in the facilities of several RBOCs – including Bell South & Bell Atlantic--and major independent LECs like Time Warner. We are aware of no reported instances of interference or other network harm, and Ameritech in response to our inquiries has been unable to identify any such incidents.

Initially, Ameritech took the position that the equipment was not compliant with NEBS (Network Equipment Building Systems) criteria for fire resistance and for

electromagnetic interference (EMI).[1] As to EMI, AT&T in the February 1, 1999 letter supplied the Bellcore audit finding that the FT-2000, Release 7 "conforms with the radiated emission electric field requirements." Technical Audit report AU-07, Volume 2 Issue 1, 1992 Supplement 5, May 1998, Sec. 3.1.2.1.1.1, EMI Emissions, pp. 3-4. Ameritech has not accepted that finding, however, and is insisting that the equipment must comply with NEBS Level 3 which includes criteria that are defined by Bellcore as "objectives." That position is unsupportable.

Section 19.7.4 of Ameritech's interconnection agreements with AT&T Communications provides that neither party to the agreement "shall use any product or service provided under this Agreement or any other service related thereto or used in combination therewith in any manner that interferes with any person in the use of such person's Telecommunications service . . .[or] impairs the quality of Telecommunications Service to other carriers or to either Party's Customers. . . ." These prohibitions are referred to in the AT&S interconnections agreements generically as "network harm." The specifications for collocation appearing in Sch. 2.3 to the agreements include the following reference: "Bellcore Network Equipment Building Systems (NEBS) standards TR-EOP-000063 National Electrical Code (NEC) use latest issue."

Ameritech's insistence on compliance with NEBS Level 3, however, is without basis. First of all, NEBS Level 1 by definition provides the "minimum acceptable level of environmental compatibility needed to preclude hazards and degradation of the network facility and hazards to personnel." SR-3580, Issue 1, November 1995, at 3-1. Listed applications for Level 1 criteria include "Competitive Access Provider collocated equipment." Thus, the standard (level) of NEBS expressly denominated as applicable to collocated equipment, like the FT-2000, is Level 1. There is no disagreement between our companies that the FT-2000 complies with NEBS Level 1.

Even going by the Bellcore NEBS document (GR-1089-CORE) quoted by Ameritech in the letter of February 23, 1999, however, the FT-2000 complies with all *requirements*, as confirmed by the Bellcore audit mentioned above. Although the FT-2000 does not meet the radiated emission electric field *objective*, the definition of an "objective" under NEBS

[1] On the question of fire resistance, as indicated in the letter dated February 1, 1999 from Danial M. Noorani to Michael Kollmeyer, the FT-2000 had been found by Bellcore in its audit to be conforming with the fuel load database and component level requirements; the equipment level fire requirement was reported "not determined." Lucent did not see a need to perform an equipment level test, in view of the fact that over 98.4% of all material and components had passed the fire requirements. Nonetheless, in an effort to avoid further delay in processing of its collocation requests, AT&T through Lucent equipment level fire testing, which the equipment of course passed, and supplied the results to Ameritech.

is a "[f]eature or function that, in Bellcore's view, is *desirable*. . . ." A "requirement," in contrast, is a "[f]eature or function that, in Bellcore's view, is *necessary* to satisfy the needs of a typical BCC (Bellcore Client Company)." For Ameritech now to insist upon compliance with NEBS Level 3 objectives turns them into requirements.

Ameritech's current stance, moreover, is plainly discriminatory. First of all, there are many existing examples of Ameritech equipment resident in its end offices that are not conforming to NEBS Level 3. Indeed, EMI Level 3 was addressed under NEBS for the first time in November 1995. Numerous kinds of equipment installed before that time would not be NEBS Level 3 compliant, yet this equipment, like the FT-2000, is not causing network harm nor does it raise a realistic concern of such harm.

Lest there be any doubt that Ameritech is applying a discriminatory double standard against AT&T and its Lucent multiplexing equipment, we are advised that Ameritech places multiplexing equipment manufactured by Fujitsu in its own Central Offices, specifically the FLM 2400 mux; yet that equipment, like the Lucent FT-2000, does not conform to NEBS Level 3. Fujitsu has confirmed to AT&T that it does not meet NEBS Level 3 and has provided test results confirming this fact. Accordingly, AT&T can only conclude that Ameritech is attempting to use the EMI issue to delay the establishment of AT&T's collocations in the Ameritech region. Indeed, Ameritech's actions on this issue have already created delays in AT&T's business plan and have slowed its ability to provide service to customers.

Ameritech has given no indication in AT&T's contacts over the several months this issue has been discussed that it prepared to negotiate a resolution that allows AT&T to proceed to install the FT-2000, and if that is in fact the case I would suggest that we mutually waive the escalation period of our interconnection agreements so that AT&T may pursue other remedies without unnecessary delay. If on the other hand you are prepared to attempt to negotiate a resolution, your designated representative for purposes of the escalation provisions of our interconnection agreements should contact me on Monday to arrange for a meeting as soon a possible.

Sincerely,

Bruce C. Bennett

N17 W24300 Riverwood Drive
Waukesha, WI 53188
Office 414/523-7020
Fax 414/523-5038

Mike Kollmeyer
Account Manager

Ameritech

February 23, 1999

Mr. Daniel M. Noorani
Vendor Management
227 West Monroe Floor 19
Chicago, IL. 60606

Dear Mr. Noorani,

This letter is in response to your letters dated Feb. 1, 1999 and Feb. 17, 1999 regarding the Lucent FT-2000 NEBS compliance issue.

As stated in my Feb. 15, 1999 letter to Mr. McGrath, Ameritech requires Level 3 NEBS compliance for electromagnetic interference (EMI). Consequently, we will not allow this equipment in our central offices.

The specific applicable NEBS standards are detailed in three Bellcore documents. *SR-3580 Network Equipment Building Systems (NEBS) Criteria Levels,* describes NEBS criteria levels and addresses the criteria which must be met. *GR-63 CORE, Network Equipment-Building System (NEBS) Requirements: Physical Protection* details the Physical Protection requirements, and *GR-1089-CORE Electromagnetic Compatibility and Electrical Safety – Generic Criteria for Network Telecommunications* Equipment details EMI as well as other electrical requirements.

Page 3-5 of SR-3580 sites Level 3 criteria. Level 3 includes criteria for Level 1, Level 2, plus criterion 9, 16, and 18. I have included copies of the two applicable pages.

GR-1089 is a very detailed reference with over 200 pages. I have included pages from this document that discuss criterion 9, 16, and 18. As previously stated, Levels 1 and 2 must be supported as well as Level 3. AT&T should obtain full copies of all three documents in order to determine the requirements that need to be met.

Please be advised that Ameritech requires this same level of compliance for new equipment being place in our own network. In response to your request for specific instances of Network harms, please be advised that Ameritech does not wait for actual harm to occur before arriving at a conclusion that certain equipment poses an

unreasonable risk of harm to the network. Rather, Ameritech relies on the judgement of its network experts and engineers, and more specifically upon nationally defined engineering standards to define a level of compliance that will not produce any network harms.

Finally, our network department is currently evaluating what should be done with equipment that has already been installed in CLEC collocations. Ms. Hayes from Lucent has called for information regarding Ameritech's compliance requirements. As soon as our network department has made a determination on what is to be done with the embedded base, I will advise AT&T Local Services by letter. It is our hope that Lucent will find a modification that will correct the problem.

Sincerely,

Michael A. Kollmeyer

Michael A. Kollmeyer
Account Manager

Cc: Ms. Sagadin
Mr. Monti
Mr. Lambert
Mr. Ortlieb
Mr. Noorani – Fax and paper copy

Danial M. Noorani
Access Vendor Management
Manager

19th Floor
227 West Monroe
Chicago, IL 60606
312 230-3699

February 17, 1999

Via facsimile and U.S. mail

Mr. Michael Kollmeyer
Account Manager
Ameritech Information Industry Services
Floor 3
N17 W24300 Riverwood Drive
Waukesha, WI 53188

RE: Lucent FT-2000

Dear Mike:

Your e-mail to Mr.McGrath of February 15, 1999 has been forwarded to me for response. Any further correspondence on this topic should be addressed to my attention, regardless of whether it involves collocation under the TCG or AT&T Interconnection Agreements.

I certainly agree with you that it is preferable to resolve this matter without litigation. However, since compliance with your requirement that AT&T not use the Lucent FT-2000 equipment will cause AT&T to use different equipment in its network only for the Ameritech region, it is critical that you furnish me with sufficient documentation to support Ameritech's position.

Specifically, I will need to review the applicable NEBS standards that Ameritech asserts are not met by the equipment. Therefore, please provide me with copies of the relevant sections of the specific industry standards document that describes the Level 3 EMI requirements. I also need documentation of any specific incidence of harm that Ameritech is aware of to other equipment or facilities (or the Telecommunications Services provided by such equipment or facilities) caused either by the FT-2000 or other equipment that does not meet the referenced Level 3 EMI requirements.

In order to expeditiously resolve this matter and avoid any delay in ALS' market entry plans, please furnish me the documentation that I have requested by this Friday, February 19, 1999.

Sincerely,

Danial M. Noorani

Daniel M. Noorani
Vendor Management-Local
Manager

19th Floor
227 West Monroe
Chicago, IL 60606
(312) 230-6173

February 1, 1999

Mr. Michael Kollmeyer
Account Manager
Ameritech Information Industry Services
Floor 3
N17 W24300 Riverwood Drive
Waukesha, WI 53188

Dear Mr. Kollmeyer,

This is in response to your letter to Mr. Bruce C. Bennet, dated December 2, 1998, giving AT&T an ultimatum to either provide documentation on **NEBS** compliance for the FT 2000 multiplexer by March 31,1999, or proceed to modify our existing collocations in Ameritech's offices. Your letter also stated the alleged **NEBS** non-compliance as a reason for refusing the TCG application for 45 additional collocations in Ameritech C.O.s.

Specifically, your letter states that the FT2000 is **NEBS** non-compliant in the areas of

1) Fire and,
2) Electromagnetic interference.

The FT 2000 was reported **NEBS** compliant for Electromagnetic Interference by Bellcore in it's **Technical Audit Report AU-07, Volume 2 Issue1, 1992 Supplement 5, May 1998 (attached)**. In **Section 3.1.2.1.1, EMI Emissions, page3-4,** Bellcore states " The FT2000, R7 **CONFORMS** with the radiated emission electric field requirements." This information was shared with you in our phone conversation back in November on this topic.

On Fire Resistance, the **NEBS** requirements are threefold:

1) Fuel Load Database requirement
2) Material/Component Level requirement
3) Equipment (fully equipped frame) Test Requirement.

In the aforementioned **Bellcore Report, Section 3.2.3 (Attached),** the FT2000 was reported as **CONFORMING** with the Fuel Load Database and the Component Level requirements. The Equipment Level fire requirement was reported by Bellcore as **"NOT DETERMINED"**.

The reason was that the manufacturer Lucent did not anticipate a need to perform an Equipment level test due to the fact that over 98.4% of all Material and Components (see Bellcore report) had passed the fire requirements.

Due to the position taken by Ameritech that you would hold up AT&T's interconnections in the absence of *"written documentation from the manufacturer that the equipment is* ***NEBS*** *compliant"*, AT&T has asked Lucent to perform the Equipment Level testing specified by **NEBS standards.**

Attached is an original of the FT2000 Equipment fire test report performed by National Test Systems, an independent, certified and recognized Test Lab at the request of Lucent Technologies, Inc. The report titled **"Network Equipment Environmental Test Report for Lucent Technologies, Inc., GR-63-CORE.** These test results provide the manufacturers documentation you requested showing that the FT2000 passes the NEBS Equipment fire test.

These test results are also being submitted to Bellcore to update their records.

With this letter, AT&T has demonstrated full compliance with the requirements outlined in your letter of December 2, 1998. I hope this removes the Ameritech threat to have AT&T pull all FT2000 multiplexers from our collocations in Ameritech offices.

Sincerely,

Danial M. Noorani

cc: Ameritech — Mr. Ron Lambert
Mr.Ted Edwards
Mr. Astor
Mr.Paul Monti
Ms. Barb Sagadin

AT&T — Bruce Bennett
Scott Finney
Bill West

Information Industry Services
Floor 3
N17 W24300 Riverwood Drive
Waukesha WI 53188
Office 414.523-7020
Fax 414.523-5038

Mike Kollmeyer
Account Manager

Ameritech.

Mr. Bruce Bennett
AT&T
227 W. Monroe Street 25 FL.
Chicago, IL 60606-5016

December 2, 1998

Dear Mr. Bennett,

Recently, Ameritech received 45 applications for collocation from AT&T's subsidiary, TCG. In all of those applications, TCG proposed placing Lucent FT-2000 equipment in its collocations spaces. While reviewing TCG's applications, Ameritech discovered that the Lucent FT-2000 equipment is not NEBS compliant for fire and electromagnetic interference. Given this limitation, Ameritech will not allow this equipment to be placed in the central office.

While investigating the NEBS compliance, Ameritech also discovered that AT&T had placed this same non-compliant equipment in Ameritech central offices.

While we regret the inconvenience to AT&T, Ameritech must request, as required by the terms and conditions of our companies' interconnection agreements that AT&T correct the current situation. For the safety and network reliability of Ameritech and other telecommunications collocated in Ameritech central offices, AT&T needs to take the following course of action by no later than March 31, 1999:

1. Provide written documentation from the manufacturer that the equipment is NEBS compliant, or

2. Make modifications to all existing AT&T collocated equipment to make it NEBS-compliant and provide Ameritech with a letter certifying the completion of such modifications; or

3. Start a project to remove the non-NEBS compliant equipment from Ameritech central offices and replace it with NEBScompliant equipment. This project to take no longer than 180 days to complete.

Please call me if you wish to discuss the issue further. I can be reached at 414 523-7020.

Sincerely,

Michael A. Kollmeyer

Michael A. Kollmeyer
Account Manager

Cc: Mr. Lambert
Mr. Edwards
Mr. Astor
Mr. Monti
Ms. Sagadin

3

AT&T Corporate Center
227 West Monroe
Chicago, Illinois 60606

July 14, 1997

Mr. Wayne Astor
Ameritech Industry Information Services
350 North Orleans Street
Chicago, IL.

SUBJECT: BDFB Power Delivery Extraordinary Charge

Mr. Astor:

This letter is in response to the extraordinary charge for the Elmhurst (EMHRILETH00) BDFB Power Delivery.

I believe that the vendor estimate of $23,815 for the BDFB Power Delivery is reasonable and therefore do not dispute that cost. However, I do disagree with the additional calculations applied to the extraordinary charge that bring the total cost to AT&T up to $47,362. In order to move forward with the Physical Collocation activities I will accept Elmhurst (EMHRILETH00) extraordinary charges with the following stipulation. When the current litigation on how Ameritech will develop costs for AT&T is resolved the extraordinary charges will be recalculated. If the resulting calculation is less than the extraordinary charges AT&T has paid then AT&T will be due a refund on the difference.

Thank you for your cooperation.

Sincerely,

Laura Shalloo

Laura Shalloo
Collocation Supervisor-AT&T
Engineering and Operations District

Ameritech

Date: July 16, 1997

Customer Contact: Laura Shalloo
Company Name: AT&T
FAX No: 312 230-8305

AON: 2445202733
ACOI CLLI: CHCGILCAH01

Attached you will find the Cost Estimate for your above mentioned physical location.

To accept or to cancel your request, please sign below and check the appropriate box and fax back to AIIS Service Center at 800 421-4640 by July 22, 1997.

_____ Accepted_____Denied _____
Signature

As stated previously, your response must be received by the Service Center within 5 business days of the date of this notification or construction on your ACOI location will be delayed and or canceled. Any delay could also delay the requested due date on your ACOI order. Your estimated completion date is 9-12-97.

If you have any questions, please call the Ameritech Information Industries Service Center at 1 800-924-3666 x2613.

Sincerely,

Carolyn Starr
ACOI Representative-Competitive Access Providers

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	CHCGILCAH01	** BILL TYPE E	AON 2445 202 733

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals Recur	Totals Non-Rec
Order Charge	SP1SO	N/A	302.30	1				302.30
Central Office Floor Space								
- per 100 sq. ft.	SP1ST	878.34	N/A	3			2635.02	
Central Office Build Out								
- per First 100 sq. ft. of floor space requested.								
Per Central Office		N/A	33,788.47	1				33,788.47
- 40 % Charge	SP1SC	N/A	13,515.39					
- 20 % Charge	SP1SD	N/A	6,757.69					
- per additional 100 sq. ft. of floor space requested.								
Per Central Office		N/A	13,148.87	2				26,297.74
- 40 % Charge	SP1SA	N/A	5,259.55					
- 20 % Charge	SP1SB	N/A	2,629.77					
Space Reservation	NRBHT	N/A	785.91	1				785.91
Entrance Conduit/Facility								
-per foot	SP1CA	0.07	N/A	150			10.50	
-per foot (dual)	SP1CA	0.07	N/A	525			36.75	
Cable Vault Splice								
-per initial splice	SP1S1	N/A	205.57	1				205.57
-per subseq splice	SP1S2	N/A	15.24	83				1,264.92
-per initial splice (dual)	SP1S1	N/A	205.57	1				205.57
-per subseq splice (dual)	SP1S2	N/A	15.24	47				716.28

* Effective Bill Date

** E = Estimate
P= Partial
F = Final

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	CHCGILCAH01	** BILL TYPE E	AON 2445 202 733

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals	Recur	Non-Rec
Splice Testing									
-per init. splice test	SP1T1	N/A	47.16	1					47.16
-per subsq. splice test	SP1T2	N/A	2.77	83					229.91
-per init. splice test (dual)	SP1T1	N/A	47.16	1					47.16
-per subsq. splice test (dual)	SP1T2	N/A	2.77	47					130.19
Cable Pulling MH to Vault									
-per first foot	SP1V1	N/A	223.06	1					223.06
-per additional foot	SP1VA	N/A	1.11	149					165.39
-per first foot (dual)	SP1V1	N/A	223.06	1					223.06
-per additional foot (dual)	SP1VA	N/A	1.11	524					581.64
Cable Pulling From Vault to Transmission Node									
-per first foot	SP1W1	N/A	83.24	1					83.24
-per additional foot	SP1WA	N/A	0.83	349					289.67
-per first foot (dual)	SP1W1	N/A	83.24	1					83.24
-per additional foot (dual)	SP1WA	N/A	0.83	349					289.67
Riser Space									
-per foot	SP1CB	1.33	N/A	350				465.50	
-per foot (dual)	SP1CB	1.33	N/A	350					
48 Volt DC Power/Consump									
-per fuse amp	SP1PA	6.87	N/A	450				3,091.50	
Power Delivery									
-per Power Lead	SP1PP	N/A	1,802.17	0	SEE EXT ATTCAP				

* Effective Bill Date

** E = Estimate
P= Partial
F = Final

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	CHCGILCAH01	** BILL TYPE E	AON 2445 202 733

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals	Recur	Non-Rec
Digital Cross-Connect Panel									
-per DS3 termination	DXZD3	15.16	N/A	0					
-up to 56 DS1 terminations	DXZD1	47.49	N/A	2				94.98	
-up to 56 DS1 term. for ATC	DXZD1	47.49	N/A	0					
-200 Conductor X-Block	EPJCX	63.68	N/A	24				1,528.32	
Optical Cross-Connect Panel									
-per OCX panel segment	SP1PZ	5.16	N/A	0					
Optional Features and Functions									
Transmission Node Enclosure									
-per First 100 sq.ft. enclosed	SP1NE	N/A	4,554.43	1					4,554.43
-per Additional 100 sq.ft. enclosed	SP1N2	N/A	1,798.67	2					3,597.34
Passive Bay Termination (Includes Bay and Panel)									
- DS1 Termination	SP1P2	0.53	N/A	0					
- DS3 Termination	SP1P4	8.83	N/A	0					
200 Conductor Electrical Termination Block (Outside Transmission Node)									
-per Termination Block	SP1P7	63.68	N/A	0					
Digital Timing Source									
-per Sync Signal Provided	SP1TP	12.77	N/A	0					

* Effective Bill Date

** E = Estimate
P= Partial
F = Final

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	CHCGILCAH01	** BILL TYPE E	AON 2445 202 733

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals	Recur	Non-Rec
DS1 Repeater	SP1P5	5.92	N/A	0					
DS3 Repeater	SP1P6	34.39	N/A	0					
Diverse Riser -per floor traversed	SP1RS	N/A	553.4	3					1,660.20
DISCONNECT (where applicable)									0.00
CANCELLATION CHARGES (where applicable)									0.00

OTHER EXTRAORDINARY CHARGES	Vendor Est.	Billing Est.
BDFB POWER DELIVERY	23,150	46,040
POWER OPENINGS	5,000	9,775
ASBESTOS REM& TILE	5,750	7,452
CONT WALL& REM SPRINK	2,640	5,345
SUB TOTAL		68,612.00

SUB TOTAL		68,612.00
GRAND TOTALS	7,862.57	144,384.12

* Effective Bill Date
** E = Estimate
P= Partial
F = Final

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	CHCGILCAH01	** BILL TYPE E	AON 2445 202 733

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals	Recur	Non-Rec
ADDITIONAL DATA									
DS0 CABLE LENGTHS		>	300 FT						
DS1 CABLE LENGTHS		>	170 FT						
DS3 CABLE LENGTHS		>	0						
OCX CABLE LENGTHS		>	0						
OFNR FIBER LENGTHS		>	350 FT						
OFNR FIBER LENGTHS	DUAL	>	350 FT						
ENTRANCE FIBER LENGTHS		>	150 FT						
ENTRANCE FIBER LENGTHS	DUAL	>	525 FT						
PROJECT DUE DATE		>	9/12/97						
BILLING CIRCUIT NUMBER	101	TXIX	ACTL	CLLI					

* Effective Bill Date
** E = Estimate
P= Partial
F = Final

Ameritech

Date: July 7,1997

Customer Contact: Laura Shalloo
Company Name: AT&T
FAX No: 312-230-8305

AON: 2445195332
ACOI CLLI: EMHRILETH00

Attached you will find the Cost Estimate for your above mentioned physical location.

To accept or to cancel your request, please sign below and check the appropriate box and fax back to AIIS Service Center at 800 421-4640 by July 14, 1997.

Laura Shalloo 7/14/97 Accepted X Denied _____
Signature

As stated previously, your response must be received by the Service Center within 5 business days of the date of this notification or construction on your ACOI location will be delayed and or cancoled. Any delay could also delay the requested due date on your ACOI order. Your estimated completion date is 9-1-97. Provided that AT&T has received notification from Ameritech that construction is 50% complete and that the 9/1/97 delivery date is on schedule.
If you have any questions, please call the Ameritech Information Industries Service Center at 1 800-924-3666 x2613.

Sincerely,

Carolyn Starr
Carolyn Starr
ACOI Representative-Competitive Access Providers

ATTETP.XLS ACOI Billing

Customer			AT&T				ACTL			OKBRILOAW14
Central Office CLLI			EMHRILETH00				** BILL TYPE	E	AON	2445 198 332
Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals		Recur	Non-Rec
Order Charge	SP1SO	N/A	302.30	1						302.30
Central Office Floor Space - per 100 sq. ft.	SP1ST	878.34	N/A	3					2635.02	
Central Office Build Out - per First 100 sq. ft. of floor space requested, Per Central Office		N/A	33,788.47	1						33,788.47
- 40 % Charge	SP1SC	N/A	13,515.39							
- 20 % Charge	SP1SD	N/A	6,757.69							
- per additional 100 sq. ft. of floor space requested, Per Central Office		N/A	13,148.87	2						26,297.74
- 40 % Charge	SP1SA	N/A	5,259.55							
- 20 % Charge	SP1SB	N/A	2,629.77							
Space Reservation	NRBHT	N/A	785.91	1						785.91
Entrance Conduit/Facility -per foot	SP1CA	0.07	N/A	200					14.00	
-per foot (dual)	SP1CA	0.07	N/A	200					14.00	
Cable Vault Splice -per initial splice	SP1S1	N/A	205.57	1						205.57
-per subseq splice	SP1S2	N/A	15.24	47						716.28
-per initial splice (dual)	SP1S1	N/A	205.57	1						205.57
-per subseq splice (dual)	SP1S2	N/A	15.24	47						716.28

* Effective Bill Date
** E = Estimate
P = Partial
F = Final

Customer	AT&T	ACTL	OKBRILOAW14
Central Office CLLI	ENHRILETH00	** BILL TYPE E	AON 2445 196 332

Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals Recur	Totals Non-Rec
Splice Testing								
-per init. splice test	SP1T1	N/A	47.16	1				47.16
-per subsq. splice test	SP1T2	N/A	2.77	47				130.19
-per init. splice test (dual)	SP1T1	N/A	47.16	1				47.16
-per subsq. splice test (dual)	SP1T2	N/A	2.77	47				130.19
Cable Pulling MH to Vault								
-per first foot	SP1V1	N/A	223.06	1				223.06
-per additional foot	SP1VA	N/A	1.11	199				220.89
-per first foot (dual)	SP1V1	N/A	223.06	1				223.06
-per additional foot (dual)	SP1VA	N/A	1.11	199				220.89
Cable Pulling From Vault to Transmission Node								
-per first foot	SP1W1	N/A	83.24	1				83.24
-per additional foot	SP1WA	N/A	0.83	224				185.92
-per first foot (dual)	SP1W1	N/A	83.24	1				83.24
-per additional foot (dual)	SP1WA	N/A	0.83	224				185.92
Riser Space								
-per foot	SP1CB	1.33	N/A	225			299.25	
-per foot (dual)	SP1CB	1.33	N/A	225				
48 Volt DC Power/Consump								
-per fuse amp	SP1PA	6.87	N/A	600			4,122.00	
Power Delivery								
-per Power Lead	SP1PP	N/A	1,802.17	0	SEE EXT CHARGE			

* Effective Bill Date
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Customer			AT&T				ACTL		OKBRILOAW14	
Central Office CLLI			EMHRILETH00				** BILL TYPE	E	AON	2445 196 332
Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals		Recur	Non-Rec
ital Cross-Connect Panel										
r DS3 termination	DXZD3	15.16	N/A	3					45.48	
p to 56 DS1 terminations	DXZD1	47.49	N/A	1					47.49	
p to 56 DS1 term. for ATC	DXZD1	47.49	N/A	0						
00 Conductor X-Block	EPJCX	63.68	N/A	48					3,056.64	
tical Cross-Connect Panel										
er OCX panel segment	SP1PZ	5.16	N/A	0						
tional Features and nctions										
ansmission Node Enclosure										
er First 100 sq.ft. enclosed	SP1NE	N/A	4,554.43	1						4,554.43
er Additional 100 sq.ft. nclosed	SP1N2	N/A	1,798.67	2						3,597.34
assive Bay Termination (includes Bay and Panel)										
DS1 Termination	SP1P2	0.53	N/A	0						
DS3 Termination	SP1P4	6.83	N/A	0						
00 Conductor Electrical Termination Block (Outside Transmission Node)										
per Termination Block	SP1P7	83.68	N/A	0						
Digital Timing Source										
per Sync Signal Provided	SP1TP	12.77	N/A	0						

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ATTETP.XLS

ACOI Billing

Customer							AT&T		ACTL		OKBRILOAW14
Central Office CLLI							EMHRILETH00		** BILL TYPE	E	AON 2445 196 332
Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals		Recur		Non-Rec
DS1 Repeater	SP1P5	5.92	N/A	0							
DS3 Repeater	SP1P6	34.39	N/A	0							
Diverse Riser -per floor traversed	SP1RS	N/A	553.4	1							553.40
DISCONNECT (where applicable)											0.00
CANCELLATION CHARGES (where applicable)											0.00
OTHER EXTRAORDINARY CHARGES		Vendor Est.		Billing Est.							
CONT WALL&SPRINKLER WK		2,250		5,267							
BDFB POWER DELIVERY		23,815		47,362							
SUB TOTAL				52,629.00							52,629.00
GRAND TOTALS									10,233.88		126,133.21

* Effective Bill Date
** E = Estimate
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F = Final

Customer			AT&T				ACTL			OKBRILOAW14
Central Office CLLI			EMHRILETH08				** BILL TYPE	E	AON	2445 196 332
Activity	USOC	Recur.	Non-Rec	Qty	Apply ?	EBD*	Totals		Recur	Non-Rec
ADDITIONAL DATA										
DS0 CABLE LENGTHS		>	220 FT							
DS1 CABLE LENGTHS		>	250 FT							
DS3 CABLE LENGTHS		>	290 FT							
OCX CABLE LENGTHS		>	0							
OFNR FIBER LENGTHS		>	225 FT							
OFNR FIBER LENGTHS	DUAL	>	225 FT							
ENTRANCE FIBER LENGTHS		>	200 FT							
ENTRANCE FIBER LENGTHS	DUAL	>	200 FT							
PROJECT DUE DATE		>	9/1/97							
BILLING CIRCUIT NUMBER	101	TXIX	ACTL	CLLI						

* Effective Bill Date
** E = Estimate
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EXHIBIT C

EXHIBIT D

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Petition of Ameritech for Forbearance from	)	
Dominant Carrier Regulation of its	)	CC Docket No. 99-65
Provision of High Capacity Services in the	)	
Chicago LATA	)	
	)	

DECLARATION OF ROCCO DEGREGORIO

Pursuant to 28 U.S.C. § 1746, I, Rocco Degregorio, declare as follows:

1. I am currently employed by AT&T Corp. as a manager of Revenue Accounting Operations in AT&T Local Services ("ALS") in Staten Island, New York. I have held this position since the merger of AT&T and TCG. In my current position as manager of Revenue Accounting Operations in ALS, I am responsible for managing the revenue assurance function of all revenue billing, bookkeeping, transfer of all financial information and the reporting of all revenue figures to ALS management.

2. From 1994 to the time of the merger between AT&T and TCG, I held an analogous role at TCG. There I was responsible for managing the revenue assurance function of all revenue billing, bookkeeping, transfer of all financial information and the reporting of all revenue figures to TCG management.

4. I was responsible for obtaining various data in support of AT&T's opposition to Ameritech's Petition requesting the Commission to forbear from regulating Ameritech as a dominant carrier of high capacity services in the Chicago LATA.

5. I obtained AT&T's access expense data for the Chicago LATA. This data is derived from the volumes of dedicated and switched high capacity transport and local distribution channels bought by AT&T in the Chicago LATA.

6. To obtain this data, I commissioned the generation of several reports from AT&T's access billing database. The data from these reports was used to prepare my declaration. To the best of my knowledge the data included herein accurately reflects the distribution of access inventory provided by various access providers to AT&T and their related expenses.

7. I obtained all of AT&T's expenditures in Chicago for DS3 POP to LSO circuits for the fourth quarter of 1997 and the first quarter of 1998. To construe the data in a light most favorable to Ameritech (which claims competitive inroads are continually growing), I chose the expenses as represented by proportions of circuits at the end of each quarter.

8. I summed the expenses and calculated the percent, by supplier, of the total paid by AT&T for DS3 LSO to POP services in the Chicago LATA. To the extent any self-provisioning occurred, it was accounted for and assigned its appropriate expense.

9. In the fourth quarter of 1997 Ameritech's DS3 LSO to POP provisioning to AT&T, in the Chicago LATA, accounted for 96.52% of AT&T's total DS3 LSO to POP expenses. In the first quarter of 1998 Ameritech's DS3 LSO to POP

8. I summed the revenues and calculated the percent, by customer, of the total revenue received by TCG in Chicago, thereby arriving at a market share of TCG's Chicago access services business for each customer.

9. I compared Quality Strategies "distribution by CAP Chicago" 4Q97 (p. 11) to TCG's customers' fourth quarter market shares and found Quality Strategies' data varied as much as 32.25% for a given TCG interexchange carrier customer.

10. I compared Quality Strategies "Distribution by CAP Chicago" 1Q98 (p. 15) to TCG's customers' first quarter market shares and found Quality Strategies' data varied as much as 35.70% for a given TCG interexchange carrier customer.

11. The designation "Type I" and "Type II" is applied to the access services supplied by TCG or ALS. The designation "Type I" means the underlying facility is totally provided by the competitive access provider, TCG or ALS in this case. The designation "Type II" means the underlying facility, at least in part and possibly in its entirety, is provided to TCG by the incumbent, in this case Ameritech.

12. To obtain Type II circuit data, I commissioned several reports to be generated from ALS's ASR Circuit schedule database. The data from these reports was used to prepare my declaration. To the best of my knowledge the data included herein accurately reflects the distribution of Type II DS1 and DS3s in Chicago on the given dates.

13. I obtained TCG and ALS's internal data that depicts the number of Type I DS1s, Type II DS1s and the total count of DS1s supplied by TCG and ALS to the Chicago marketplace. I also obtained the internal data that depicts the number of Type I

DS3s, Type II DS3s and the total count of DS3s supplied by TCG and ALS to the Chicago marketplace.

14. I gathered the ASR Circuit data for the year 1998, broken down by month. Thereafter, I calculated the percentage of Type II DS1 and Type II DS3 for each month.

15. For the year 1998 I found that, for a given month in Chicago, as much as 29.11% of ALS/TCG's DS1s were Type II.

16. For the year 1998 I found that, for a given month in Chicago, as much as 18.19% of ALS/TCG's DS3s were Type II.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on March 25, 1999.

Rocco Degregorio

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Petition of Ameritech for Forbearance from	)	
Dominant Carrier Regulation of its	)	CC Docket No. 99-65
Provision of High Capacity Services in the	)	
Chicago LATA	)	
	)	

DECLARATION OF ROBERT E. POLETE, JR.

Pursuant to 28 U.S.C. § 1746, I, Robert E. Polete, Jr., declare as follows:

1. I am currently employed by AT&T Corp. as a District Manager, Access Vendor Management in Chicago, Illinois. I have held this position since February 1998.

2. I hold three degrees from the University of Missouri-Columbia: a Bachelor of Science in Electrical Engineering (1980), a Master of Science in Industrial Engineering (1982) and a Master of Business Administration (1982). I have 17 years of telecommunications experience in operations, marketing and computer applications. I have been employed by AT&T since 1982 when I worked as an Operations Supervisor of Private Line Provisioning.

3. In February 1998 I assumed my current position of District Manager, Access Vendor Management. I am now responsible for managing the relationship with Ameritech and Cincinnati Bell as access vendors to AT&T, and in particular, their performance in provisioning, maintenance and billing of access services.

3. As a result of the merger between AT&T and TCG, TCG's business records containing pre-merger data pertaining to access billing and circuit schedule data, among other things, were transferred to the ALS business unit.

4. I was responsible for obtaining various data in support of AT&T's opposition to Ameritech's Petition requesting the Commission to forbear from regulating Ameritech as a dominant carrier of high capacity services in the Chicago LATA.

5. I obtained TCG's internal data, from the fourth quarter of 1997 and the first quarter of 1998, containing market share information of TCG Chicago's high capacity services. This data is based upon TCG's billing information as it pertains to the provision of dedicated and switched high capacity transport and local distribution channels in the Chicago LATA.

6. To obtain this data, I commissioned several reports to be generated from ALS' access billing databases. The data from these reports was used to prepare my declaration. To the best of my knowledge the data included herein accurately reflects the distribution of access services provided by the former TCG in Chicago on the dates indicated.

7. I obtained TCG's revenue for access services provided to customers in Chicago for the fourth quarter of 1997 and the first quarter of 1998. To construe the data in a light most favorable to Ameritech (which claims competitive inroads are continually growing), I chose the revenues as represented by proportions of business at the end of each quarter.

provisioning to AT&T, in the Chicago LATA, accounted for 95.62% of AT&T's Total DS3 LSO to POP expenses.

10. I gathered information regarding Ameritech's DS1 LSO to POP provisioning in a manner identical to that performed for DS3 LSO to POP provisioning.

11. In the fourth quarter of 1997 Ameritech's DS1 LSO to POP provisioning to AT&T, in the Chicago LATA, accounted for 99.03% of AT&T's total DS1 LSO to POP expenses. In the first quarter of 1998 Ameritech's DS1 LSO to POP provisioning to AT&T, in the Chicago LATA, accounted for 99.88% of AT&T's total DS1 LSO to POP expenses.

12. I obtained all of AT&T's expenditures for DS3 and DS1 LSO to customer premises circuits (collectively "LDCs") for the fourth quarter of 1997 and the first quarter of 1998. To construe the data in a light most favorable to Ameritech (which claims competitive inroads are continually growing), I chose the expenses as represented by proportions of circuits at the end of each quarter.

13. I summed the expenses and calculated the percentage, by supplier, of the total paid by AT&T for LDC services in the Chicago LATA. To the extent any self provisioning occurred it was accounted for and assigned its appropriate expense.

14. In the fourth quarter of 1997 Ameritech's LDC provisioning to AT&T, in the Chicago LATA, accounted for 90.13% of AT&T's total LDC expenses. In the first quarter of 1998 Ameritech's LDC provisioning to AT&T, in the Chicago LATA, accounted for 90.72% of AT&T's total LDC expenses.

15. I reviewed Ameritech's FCC Tariff No. 2, Section 7.5.9, Ameritech's Base Rate Services, Ameritech DS1 Service and Ameritech DS3 Service.

Based upon this review, it can be said the vast majority of Ameritech's DS1 and DS3 rate elements have increased (some dramatically, some only slightly) over the past three to four years.

16. I also examined the price cap information for the Ameritech Region. It reveals Ameritech is pricing its elements within the "trunking basket" (this grouping includes special access and dedicated transport) almost at its cap. In fact a review of the January 1, 1999 figures show, Ameritech is only 1.1% below its allowed cap.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on March 25, 1999.

Robert E. Polete, Jr.

EXHIBIT E

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Petition of Ameritech for Forbearance from	)	CC Docket No. 99-65
Dominant Carrier Regulation of its	)	
Provision of High Capacity Services in the	)	
Chicago LATA	)	

DECLARATION OF TIMOTHY ROWLAND

Pursuant to 28 U.S.C. § 1746, I, Timothy Rowland, declare as follows:

I. BACKGROUND AND ASSIGNMENT

1. My name is Timothy Rowland. I am a Staff Manager in the Local Infrastructure Access Management Organization of AT&T. My responsibilities include assisting in the planning, engineering, and deployment of fiber optic and other network facilities that AT&T uses in providing various telecommunications services. I was recently assigned to the Chicago area for approximately 18 months. I am providing comments based on my personal experience with Ameritech and other large incumbent local exchange carriers ("LECs").

2. My relevant educational background, work experience, and qualifications are as follows. I received my Associate Degree in Electronic Engineering from Nassau Community College in 1980. I also received a degree in Analog/Digital Communications from Suburban Technical Institute in 1982. For twelve years, I worked for TCG in the engineering and operations departments, first as an

Associate Engineer and later as an Engineer. At TCG, I was responsible for, among other things, layout and design of fiber optic networks, acquisition of rights-of-way permits, negotiation of building entry, and construction training, procedure, and management. I was also responsible for maintenance of fiber optic networks, implementation of network emergency procedures, implementation of escalation procedures, and inventory control.

3. I have been asked to discuss engineering issues related to the provision of special access services. More specifically, I have been asked to discuss the disadvantages that new entrants face in building Local Distribution Channels ("LDCs") in competition with incumbent LECs such as Ameritech. Contrary to the claims made by Ameritech in this proceeding, there are significant barriers that exist to self-provisioning of LDCs by a new entrant—barriers that do not exist for the incumbent. As a result, even in urban areas such as Chicago, new entrants must generally rely on the LDCs of incumbents in order to provide special access services.

II. LDCs ARE BOTTLENECK FACILITIES

4. Special access is a service composed of two basic inputs: LDCs and dedicated transport. LDCs are the facilities that connect the customer premises to the dedicated transport facilities. Even in the limited instances where AT&T has begun to deploy fiber optic rings that provide direct transport in competition with the ubiquitous facilities deployed by incumbent LECs, AT&T still remains

heavily dependent on the incumbents' LDC facilities. Without access to these facilities, AT&T would only be able to provide special access to a small percentage of the customers that it currently serves. *See generally* Declaration of Robert Polete (showing approximately 90 percent of AT&T's LDC expenses are LDCs supplied by Ameritech).

5. Contrary to the claims of Ameritech, it simply is not economically feasible for a new entrant to self-provision its own LDCs for the vast majority of special access customers. As an initial matter, the new entrant must incur significant fixed costs to wire a building to which the incumbent is already connected. Not only must the new entrant pay for the fiber and supporting electronic facilities used to provide service, it must also pay a host of other costs such as riser access costs, common space rent, construction costs, and core drilling expenses. In Chicago, these costs range from a minimum of $50,000 and up to as high as $250,000. Basic economics therefore limits a new entrant's ability to extend its fiber network to only those locations that produce significant traffic. Further, the costs of connecting a building to a fiber ring is strongly dependent on the distance from the building to the ring. Thus, a new entrant's addressable customer base, even with respect to high traffic customers, is limited to those customers and buildings that are located within close proximity to one of its fiber rings.

6. To make matters worse, the new entrant must incur many costs that incumbents like Ameritech have avoided altogether. For example, AT&T must often

procure—and pay for—rights-of-ways to wire a building. As franchised monopolists, incumbents were generally not required to pay for their rights-of-way. Indeed, many municipalities have attempted to take advantage of the competitive forces unleashed by the Telecommunications Act of 1996 and impose substantial fees for use of public rights-of-ways. Although AT&T and other new entrants have vigorously opposed such anti-competitive and unlawful measures, the costs of delay, negotiation, and litigation alone are quite substantial.

7. Even after a new entrant reaches a building, discriminatory treatment continues. The building owner often demands that the new entrant—but not the incumbent—pay substantial fees for use of their risers, laterals, building entrances, and closets. Indeed, building owners have even demanded fees from AT&T based on a percentage of AT&T's revenues or have required AT&T to pay a fee for every customer it cross-connects to its facilities. Moreover, many building owners will often not allow AT&T to perform the necessary cross-connects, but instead require AT&T to pay the incumbent to perform this "service."

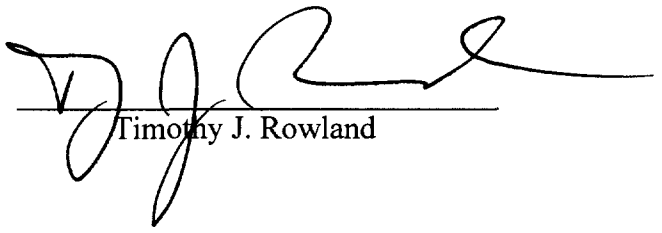
8. Finally, and most fundamentally, new entrants are often physically unable to deploy competing LDCs because of a lack of space. Because most buildings were designed during a time when there was only one local telephone provider, they usually have space for only one company's equipment. The ability to foreclose competition in this manner gives the incumbent a powerful incentive to "warehouse" unnecessary equipment or otherwise ensure that it uses all available

space. And even where additional space can be created, AT&T must pay for all the necessary work—often having to use the building owner's preferred vendor rather than using its own personnel or contractor. Similarly, many buildings do not have sufficient infrastructure to carry power for multiple competitors, and building owners generally require the new entrant to pay for all additional upgrades of the power facilities.

III. CONLUSION

9. In sum, even in the limited instances where AT&T has been able to deploy its own dedicated transport facilities, it is only economic for AT&T to provide LDCs to a small fraction of special access customers. In order to provide special access services to remaining customers, AT&T is dependent on the LDCs provided by incumbent LECs like Ameritech.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on March 25, 1999.

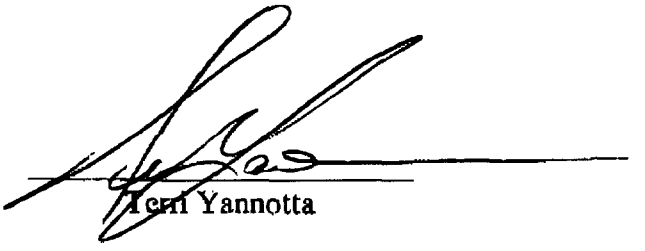


Timothy J. Rowland

CERTIFICATE OF SERVICE

I, Terri Yannotta, do hereby certify that on this 31st day of March, 1999, a copy of the foregoing "AT&T Corp. Opposition" was mailed by U.S. first class mail, postage prepaid, to the party listed below:

Michael S. Pabian
W. Karl Wardin
Michael D. Alarcon
Ameritech
Room 4H82
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196-1025



Terri Yannotta

March 31, 1999